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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/718,749	11/22/2000	Lawrence B. LaCombe JR.	073487/0142	3424

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EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 10/05/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/718,749

Applicant(s)

LACOMBE ET AL.

Examiner

Daniel S Felten

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 22 November 2000.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-119 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-119 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 November 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Examiner's Note

The Examiner has pointed out particular references contained in the prior art of record in the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations with the individual claims, other passages and figures apply as well. It is requested from the Applicant in preparing a response to consider the entire references in full as well as the context of all references passages as potentially teaching all or part of the claimed inventions.

Drawings

1. New corrected drawings in compliance with 37 CFR 1.121(d) are required in this application because parts to the drawings are illegible and informal. Applicant is advised to employ the services of a competent patent draftsman outside the Office, as the U.S. Patent and Trademark Office no longer prepares new drawings. The corrected drawings are required in reply to the Office action to avoid abandonment of the application. The requirement for corrected drawings will not be held in abeyance.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

the claimed invention is directed to non-statutory subject matter. The invention in the body of the claim must recite technology. If the invention in the body of the claim(s) is not tied to technological art, environment or machine, the claim(s) is/are considered non-statutory. The recitation in the body of claims 1, 25, 48, 72 and 96 are directed to

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merely human mental computation or processes that can be performed by a person manually, and thus is considered nothing more than an abstract idea which is not useful art as contemplated by the constitution [see Ex Parte bowman, 61, USPQ2d 1665, 1671 (BD Pat. App & App Inter 2001)unpub]*. Also not MPEP 2106 IV2(b). The abstract idea does not become technological art, for example, by mere recitation of a computer in the preamble because the recitation in the invention in the body of the claims manipulates an abstract idea/manual process without providing producing a useful, concrete and tangible result via a computer.

*Even though bowman is not precedential, it can be cited for its analysis.

Claim Rejections - 35 USC § 103

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-119 are rejected under 35 U.S.C. 103(a) as being unpatentable over Whitworth (US 6,622,129) and Kravitt et al., "Overcoming the Legal barriers to Auto Lease Securitization", May 1, 1995 in view of each other.

Whitworth discloses issuing a financial asset to fund the acquisition of the leases creating a nominee titleholder and a registered lien on each leased vehicle transferring the financial asset to a securities-issuing entity (see Whitworth, col. 5, ll. 17-27 and 45-49);

As in claims 3, 26, 50, 74 and 98 including the step of financially supporting the leasing company separate from manufacturer of the vehicle and the financier of the vehicle (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 4, 27, 51, 75 and 99, wherein the step of acquiring leases from dealers includes funding the lease acquisition primarily by borrowing against the security of first priority perfected security interests in each lease and vehicle (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 5, 28, 52, 76 and 100 including underwriting each financial asset with respect to a single retail consumer vehicle lease transaction (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 6, 30, 53, 77 and 101, including securing the financial asset by the lease (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 7, 31, 54, 78 and 102, including securing the financial asset by the vehicle related to the specific financial asset (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 11, 34, 58, 82 and 106, wherein the step of transferring the financial asset includes the step of granting a security interest to each purchaser of a secured note in the vehicle and lease related to such note (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 12, 35, 59, 83 and 107, wherein the step of issuing a financial asset includes supporting the financial asset by revenues from individual consumer leases (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 13, 36, 60, 84 and 108 wherein the step of issuing a financial asset includes supporting the financial asset by revenues from security interests in vehicles (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 14, 37, 61, 85 and 109 wherein the step of issuing a financial asset includes supporting the financial asset by credit enhancement under a termination value insurance policy (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 15, 38, 62, 86 and 110 including the step of making payments due on the financial asset (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 16, 39, 63, 87 and 111 wherein the step of making payments due on the financial asset includes representing a pro-rata portion of both the payments due under the lease and the residual value of the related leased vehicle as of the date of lease inception (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 17, 40, 64, 88 and 112, including the step of fixing the interest rate on the financial asset at inception (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3),

As in claims 18, 65, 89 and 113, The method for securitizing retail lease assets of claim 88 further wherein the step of fixing the interest rate On the financial asset at inception further includes basing the interest rate with respect to a particular retail consumer vehicle lease transaction on rates generally applicable to similar consumer transactions at the time of issuance (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 19, 42, 66, 90 and 114, including the step of predetermining the payment schedule on the financial asset to match the expected cash flow generated by each related consumer transaction (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 20, 43, 67, 91, 115, including the step of the leasing company investing in the financial asset (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 21, 44, 68, 92 and 116, including the step of assigning the title of a vehicle to a special-purpose nominee trust (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 22, 45, 69, 93 and 117 including the step of efficiently allocating loss coverage to achieve higher protection with lower effective insurance coverage (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 23, 46, 70, 94 and 118, wherein the step of offering a security backed by the financial asset further includes offering the security via a registered public offering (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

As in claims 24, 47, 71, 95 and 119, wherein the step of offering a security backed by the financial asset further includes offering the security via an exempt private placement transaction (see Whitworth, Abstract, col. 5, ll. 17 to col. 8, ll. 3)

Kravitt discloses, as in claims 1, 25, 48, 72 and 96, a method for securitizing retail lease assets comprising: creating a leasing company which acquires leases from dealers (see Kravitt, 3.1, "State Law Titling Issues", page 3, paragraph 4),

Kravitt discloses obtaining termination value guarantees (see Kravitt, "incentive programs");

Kravitt discloses offering a security backed by pools of the financial assets (see "titling trust" or "Ford Credit Auto Lease Trust", page 4, paragraph 2-6),

As in claims 8, 32, 55, 79 and 103, including securing the financial asset by a front-end equity contribution by the leasing company (see Kravitt, 3.1, "state law titling issues, page 3, paragraph 4),

As in claims 9, 33, 56, 80 and 104, wherein the step of obtaining termination value guarantees includes securing each financial asset at the time of inception by a termination value (including residual value) insurance policy (see Kravitt, "incentive programs"),

As in claims 10, 57 and 81, wherein the step of securing each financial asset includes obtaining security concurrently with the inception of the lease transaction (see Kravitt, "incentive programs"),

As in claims 73 and 97, including the step of obtaining termination value guarantees (see Kravitt, "incentive programs", page 2, paragraph 6+)

In view of Kravitt's teaching it would have been obvious to an artisan at the time of the invention to employ the teaching of Kravitt into the teachings of Whitworth because an artisan at the time of the invention of Whitworth would have understood and recognized the "ins and outs" of automobile lease securitization as taught by Kravitt as well as the particular drawbacks and legal barriers one would experience in such transactions. Thus one of ordinary skill in the art at the time of Whitworth would have been motivated to pursue alternative methods (such as backed pools, trustor equity contribution (residual value)), etc,) for securitizing retail lease assets to provide a greater opportunity and a greater success for such transactions. Thus the aforementioned teachings asserted in Kravitt would have provided obvious alternatives to create lease securitizations, being an obvious expedient to one of ordinary skill in the art.

On the other hand, it would have been obvious to an artisan from the Kravitt article to recognize the notoriously old and well known lease securitization practices, as well as, the various limitations and legal barriers associated with Auto lease securitization. One of ordinary skill in the art would also be familiar with the terms or "risk" and "collateral" of various forms and how collateral is used to minimize risk by securing loans. Therefore an artisan of ordinary skill in the art would be motivated to use the various financial instruments taught in Whitworth as collateral to secure leases

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(leases being understood as an alternative form of a loan). Thus such a modification would be an obvious expedient well within the ordinary skill in the art.

Conclusion

4. A list of relevant prior art appears below not relied upon in this Office Action:

US Patents:

Kirksey (US 6,460,021) discloses collaterally secured debt obligation and method of creating the same

Whitworth (US 6,009,402) discloses system and method for predicting comparing and presenting

Non-Patented Literature:

Litwin, "Unlocking the Mysteries of Auto Lease Securitization", Business Credit; vol. 98, No. 8; pages 28-30 (September 1996)

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Daniel S Felten
Examiner
Art Unit 3624

DSF
September 29, 2004



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